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GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE

RESOLUTION

TARIFFS

New Delhi, the 27th May 1947

No. 218-T(33)/47.—In their Resolution in the Department of Commerce, No. 218-T(55)/45, dated the 16th February 1946, the Government of India referred to the Tariff Board the application of the preserved fruits industry for the grant of protection or assistance. The terms of reference to the Board are contained in Resolution No. 218-T(55)/45, dated the 3rd November 1945.

2. The Board, having completed its investigation, has submitted its report. It considers that the industry, on the whole, has been established and conducted on sound business lines, and has good claims for protection. The Board's recommendations are as follows:—

(i) Fruits and fruit products should be re-classified in the Import Tariff Schedule, in the Account of Sea Borne and Frontier Trade and also in the Statistics or the Food Products Control Order.

(ii) The standard rate of duty on canned and bottled fruits should be 60 per cent. *ad valorem*; the rate on fruit juices, squashes, cordials and syrups should be 40 per cent. *ad valorem*, the rate on jams, jellies, marmalades and candied and crystallised fruits should be 80 per cent *ad valorem*. the duties should be made protective and they should remain in force for the period ending 30th March 1950. Should the landed cost of the imports without duty fall by 5 per cent. or more below those we have taken for the purpose of comparison, it should be open to the industry to appeal to Government to invoke Section 4(1) of the Indian Tariff Act of 1934 and to raise the duties to the necessary level. The preferential rates in favour of British Colonies and Burma should be abolished.

(iii) The import duty on all machinery required for the use of the preserved fruits industry should be refunded with effect from the 16th February 1946. All facilities should be given to the industry to import suitable machinery from foreign countries

(iv) An adequate quota of sugar should be given to the industry; if necessary, steps should be taken to import sugar for this purpose.

(v) The excise duty on sugar used for the protected categories of preserved fruits should be refunded.

(vi) 500 to 1,000 tons of American tin plate should be imported free of duty and made available to recognised manufacturers of sanitary cans required for the preserved fruits industry.

(vii) Representatives of the Fruit Preservers' Association and those of the leading glass manufacturers should meet in conference at an early date and discuss the question of supply of high quality bottles for the preserved fruit industry. The question of granting import licences for bottles more freely should be decided by Government after considering the views that may be formulated at the conference.

(viii) The Fruit Products Control Order should be amended so as to raise the cess payable by the fruit products factories from 4 annas to Re. 1 per Rs. 100 worth of products. Of the amount so collected, one-fourth should be spent for the administration of the Control and the balance should be set aside in a special Research and Development Fund, to which an equal contribution should be made by the Government of India. This special Fund should be administered by an appropriate representative committee.

(ix) Facilities for training experts in the technology of fruit preservation should be enlarged.

(x) Government should take steps to employ six foreign experts for a period of about three years for giving advice and guidance free of cost to all the canning factories.

(xi) The question of providing cold storage and refrigerated transport facilities should be examined by Government at an early date.

(xii) The Fruit Products Control Order should be strictly enforced in all the canning factories.

(xiii) The present provision permitting the export of not more than 10 per cent. of food products should be continued.

(xiv) If and when an application is made by the preserved fruits industry to the Railway Board for a reduction of the freight rates on fruits, fruit products and flattened cans, the application should be favourably considered by the Railway Board.

(xv) The Railway Board should investigate at an early date whether or not there is any justification for the complaint made to us by the fruit preservers that claims for compensation for loss in transit of fruit products sent to the consignees at railway risk have been ignored by the railway authorities. If the complaint is found to be justified, steps should be taken to ensure that in future all claims for compensation in such cases are promptly dealt with.

(xvi) The Central, Provincial and State Governments should initiate at an early date a co-ordinated policy of horticultural development, including both production and marketing.

(xvii) The attention of the Government of Jammu and Kashmir is drawn to the recommendations that we have made for assistance to the industry in the State.

3. The Government of India have carefully considered these recommendations. They have decided to accept the main recommendations of the Board and afford protection to the industry for a period of three years. The protection in the first year will take the form of protective *ad valorem* duties at rates proposed in (ii) above. The form of protection that will be afforded to the industry thereafter namely whether through the imposition of protective *ad valorem* duties or by means of direct subsidies to the industry will be determined before the end of the first year on the basis of the further examination by the Tariff Board".

4. Government accept recommendations (i), (iv), (vii), (xii) and (xvii), and hope that the Fruit Preservers Association will comply with the suggestion made in recommendation (vii).

5. With regard to recommendation (iii) Government are considering the general question of exemption of imports of machinery from import duty; they are prepared to grant all facilities to the industry to import suitable machinery.

6. Government are unable to accept recommendations (v) and (vi). Recommendations (viii), (ix), (x), (xi), (xiv), (xv), and (xvi) will be further examined in the departments of Government concerned.

7. With regard to recommendation (xii), Government propose to permit freely exports of products which are peculiar to India, while in the case of other goods export of not more than 10 per cent, will be permitted, as recommended by the Board.

8. Steps are being taken to give effect to these decisions as early as possible.

ORDER

ORDERED that a copy of this Resolution be communicated to all Provincial Governments, all Chief Commissioners, the several Departments of the Government of India, the Political Department, the Private and Military Secretaries to His Excellency the Viceroy, the Central Board of Revenue, the Auditor General, the Director General of Employment and Resettlement, the Director General, Industries and Supplies, the High Commissioner for India in London, the Economic Adviser to the Government of India, the Director of Commercial Intelligence, Calcutta, the Indian Trade Commissioner, London, the Indian Trade Commissioners at New York, Buenos Aires, Toronto, Alexandria, Colombo, Paris, Mombasa, Tehran and Sydney, the Trade Agent, Kabul, His Majesty's Senior Trade Commissioner in India, the American Consulate General, Calcutta, the Canadian Trade Commissioner in India, the Australian Trade Commissioner in India, the Secretary, Tariff Board, Bombay, the Chief Controller of Imports, and all recognised Chambers of Commerce and Associations.

ORDERED that a copy be communicated to the Government of Burma.

ORDERED also that it be published in the *Gazette of India*.

Y. N. SUKTHANKAR. Secy.

